GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1387
ANSWERED ON:08.03.2002
FUNDS FOR COTTON PONOPOLY PROCUREMENT SCHEME
ANANTRAO GUDHE;UTTAMRAO NATHUJI DHIKALE

Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Maharashtra has approachedthe Union Government seeking additional funds for continuationof Cotton Monopoly procurement Scheme and provide financial assistance for paying the arrears of cotton farmers of the State;

(b) if so, the details of the proposals;

(c) the reaction of the Union Government to the proposal;

(d) the present status of the proposal and future of the scheme; and

(e) the details of objective review of the scheme under implementation and steps suggested to make its working more efficient in the interest of farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI BALASAHEB VIKHE PATIL)

(a) to (d): Government of Maharashtra, in view of the progressive losses faced by the Maharashtra State Cooperative Cotton Growers Marketing Federation, have sought financial assistance for the Federation, for commencement of cotton procurement under the Cotton Monopoly Procurement Schemes. The State Government have requested that the Federation be allowed credit line of Rs.1200 crores from Consortium headed by State Cooperative Bankand Rs.500 crores as additional open market borrowings. Keeping in view the debt sustainability of the State and impact on the macro economic stability, the Central Government have allowed Rs.250 crores as additional market borrowing for this purpose. In extending credit line, the Consortium headed by MaharashtraState Cooperative Bank is guided by the instructions of RBI/NABARD.

(e): The State Government have now formulated a mechanism to make the scheme self financing from the next Procurement Season.